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DIRECTORATE OF INTELLIGENCE

WEEKLY SUMMARY



29 December 1967 No. 0322/67



CONTENTS

(Information as of noon EST, 28 December 1967)

Far East

	Page
THE WEEK IN PERSPECTIVE	1
VIETNAM The 24-hour Christmas truce in South Vietnam was marked by 118 Communist-initiated incidents, and the enemy again attempted to use the respite to mount an extensive resupply effort. The Thieu government's lack of political dynamism is generating dissatisfaction in Saigon. Meanwhile, the Liberation Front continues efforts to enhance its international position.	3
COMMUNISTS STEP UP FIGHTING IN LAOS Communist forces are continuing their pressure against government positions in widespread areas of Laos.	7
Europe	

SECRET

Page i WEEKLY SUMMARY

29 Dec 67

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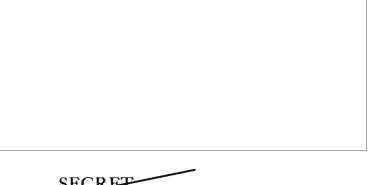
FAR EAST

The 24-hour Christmas truce declared by the allies in Vietnam was marked by some 118 Communist violations, most of which were small-scale guerrilla attacks or reactions to allied patrol activity.

On the political front, Hanoi and the National Liberation Front have refrained so far from commenting on President Johnson's remarks concerning informal South Vietnamese contacts with Front representatives. This silence suggests Hanoi hopes US encouragement of such contacts will strengthen the Front's claim to a major role in any future negotiations and also cause frictions in US - South Vietnamese relations. Some Saigon newspapers have criticized what they interpret as a dangerous shift in US policy toward the Front.

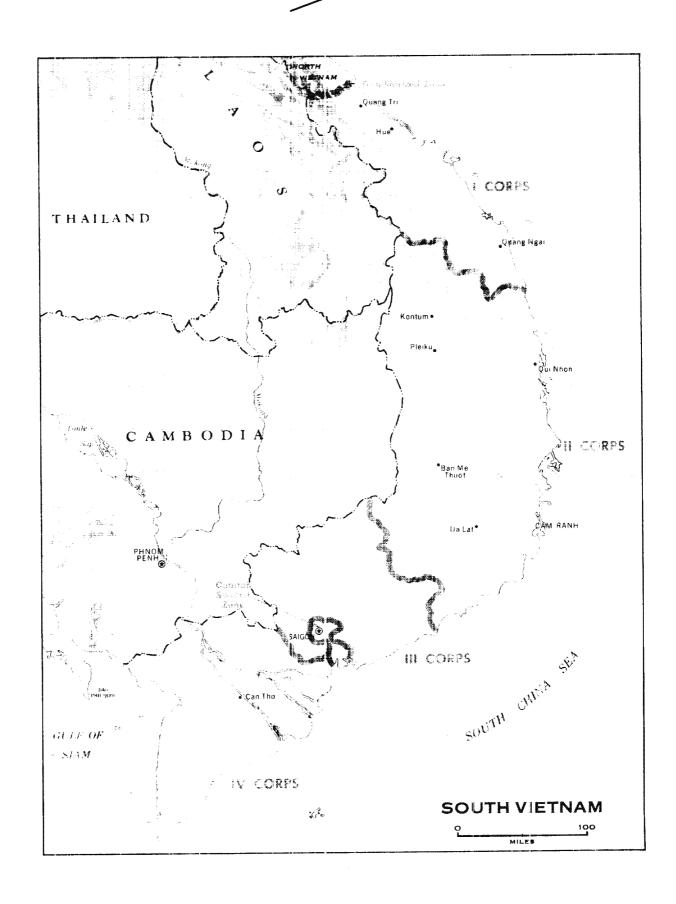
In South Vietnamese politics, President Thieu's failure to provide strong leadership is drawing growing criticism from influential circles. Vice President Ky's withdrawal from active participation in the government has prompted speculation that he is biding his time until an opportunity appears to assert a more prominent role.

Tensions between South Vietnam and Cambodia have been aggravated by Saigon's statements reserving the right of "hot pursuit" of Communist forces into Cambodian territory. Sihanouk's defiant rejection of the US note of 4 December made clear his unwillingness to cooperate in dealing with this "sanctuary" problem. He again denied that Vietnamese Communists are using Cambodian territory and threatened to call for foreign Communist "volunteers" if allied forces cross his frontier.



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Page 1 WEEKLY SUMMARY 29 Dec 67





VIETNAM

The allied 24-hour Christmas truce period in South Vietnam
was marred by a greater number of
incidents than the number averaged during the 48-hour Christmas
and New Year standdowns last year.
In addition, the Communists again
attempted to use the respite to
mount extensive resupply efforts
in both South Vietnam and southern North Vietnam.

The Communists initiated 118 incidents during the one-day pause, with the majority occurring in South Vietnam's I and III corps. Most of the violations consisted of harassing fire against allied field positions, outposts, and base camps, or of enemy reactions to the intensified allied ground and air reconnaissance patrols. No largescale enemy attacks occurred, however, suggesting that Communist main force units were generally content to abide by the ceasefire while repositioning, reinforcing, or resupplying major combat elements, particularly in northern South Vietnam.

As in previous truce periods, the Communists went to great lengths to move both men and material. Pilot reports and photography revealed large southbound enemy convoys moving throughout the southern half of North Vietnam on 25-26 December.

Truck traffic on the infiltration corridors of the Laotian panhandle from 23 to 25 December continued at a level consistent with past dry seasons. No significant sea infiltration was noted this year, possibly because of the shortened time frame of the truce period.

Allied forces will observe another 24-hour cease-fire on New Year's Day, as well as a 48-hour respite in late January for Tet, the Vietnamese Lunar New Year. Similar enemy efforts are expected on these holidays.

Political Developments In South Vietnam

The Thieu government's lack of political dynamism is continuing to generate dissatisfaction among influential circles in Saigon. A growing portion of this criticism has centered on President Thieu's failure to provide leadership and direction to the new government, with some critics speculating that the void created by Thieu's inactivity will eventually be filled by Vice President Ky.

3.3(h)(2)



Page 3 WEEKLY SUMMARY

29 Dec 67



Prime Minister Nguyen Van Loc has also come under increasing criticism. His critics claim that he lacks the initiative and political instincts required for the post, and that his cabinet is generally devoid of persons of experience who possess the necessary vision to deal with national problems.

In the National Assembly, the Upper House this week elected Nguyen Van Huyen, head of a predominately Catholic slate, as its chairman. Huyen, once mentioned by Thieu as his choice for the post, defeated an early favorite, Tran Van Don. Huyen will be assisted by two elected vice chairmen, one of whom also heads a Catholic slate.

Having completed the election of its officers, the Upper House can now be expected to turn to legislative matters. The first areas of legislative interest will probably deal with the drafting of laws governing political parties and the press. Senator Nguyen Van Ngai reportedly has already prepared a draft of a political parties law designed to facilitate the development of a viable two-party system.

The trial of the 26 people involved in the Buddhist "struggle" movement of 1965 has ended with only four convictions, and the military court handed down remarkably lenient sentences. Doctor Nguyen Van Man, former mayor of Da Nang, and three military officers each received prison terms of ten years after

being found guilty of rebellion. The light sentences imposed on the principal defendants should tend to defuse the antitrial sentiment that had been generated in the National Assembly and in the press as well as among the militant Buddhists.

Liberation Front Position Enhanced

The Liberation Front's permanent delegations in Communist China and East Germany have recently been upgraded to the status of diplomatic missions in what appears to be a further effort to improve the international standing of the Front. Cuba, Cambodia, and North Korea have granted this status to Front delegations for some time. The important Front posts in Prague and Moscow, although granted certain diplomatic privileges, continue to be accredited to unofficial national front organizations rather than to the governments.

This improvement in diplomatic status ties in with other recent efforts by the Front to enchance its international position without actually declaring itself a government. These efforts abroad include the publicity given the Front's new political program and the attempt to get maximum exposure for that document by having it circulated to United Nations members. There is no evidence, however, that the Front intends to proclaim itself a formal government in the near future.

3.5(c)



Page 4 WEEKLY SUMMARY 29 Dec 67





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COMMUNISTS STEP UP FIGHTING IN LAOS

Communist forces are continuing their pressure against government positions in widespread areas of Laos.

An enemy unit, estimated at battalion strength, raided the government base and airstrip at Muong Phalane on 25 December, destroying most of the camp's

facilities including the USAID and Air America buildings. Preliminary reports indicate that government forces have reoccupied the area.

The destruction of the US facilities suggests that the attack was specifically aimed against the US presence at Muong

SECRET

Page 7 WEEKLY SUMMARY

29 Dec 67



Phalane.

The attack on Muong Phalane is the first significant enemy action in this part of the panhandle in over a year. It may be related to recent attacks farther south in the Bolovens Plateau area, where heavy fight-



ing is continuing. These operations appear to be part of a new Communist campaign to forestall stepped-up allied efforts to interdict the infiltration corridor.

In northern Laos, the Communists have resumed their harassment of the government position in the Nam Bac area. The airstrip there has been closed since 24 December, when it came under mortar fire. Continuing reports of a Communist build-up in the vicinity suggest that more ground assaults against Nam Bac's outlying defenses may be in the offing. Government units are being repositioned to reduce their vulnerability and to cut the enemy's supply lines into the area.

Although the Communists appear to be putting a little more bite into their dry season offensive this year, there is no evidence that they intend to mount a concerted drive into government-held territory. The Communist effort against Nam Bac in the north and the Bolovens positions in the south appear designed to restore the status quo. Until last year, both areas had long been under Pathet Lao control.

3.5(c)



Page 8 WEEKLY SUMMARY 29 Dec 67





